



**FISCAL NOTE**

**House Bill 338**

Committee: Ways and Means General Fund

Sponsor: Representative Kenyatté Hassell

Analyst: Michael Russo

Date: 02/26/2026

**House Bill 338** as introduced would provide a 4% cost-of-living increasing, not less than \$15 per month, to the monthly retirement benefits of certain retirees and beneficiaries of the Employees' Retirement System (ERS) of the Retirement Systems of Alabama (RSA), including the state police plan, effective October 1, 2026, subject to legislative funding.

According to RSA, this increase would provide an average annual benefit increase of \$1,060 per retiree/beneficiary for an estimated 24,077 retirees/beneficiaries. The costs associated with this increase are shown in the table below:

<b>4% Cost-Of-Living Increase: Estimated Fiscal Impact</b>				
	<b>If Amortized Over 15 years</b>		<b>If Pre-Funded</b>	
	Annual Cost	Employer Contribution Rate Increase	Total Cost	SGF Share of Employer Contribution Costs
ERS / ERS State Police	\$25.5 Million	ERS: 1.08% pt ERS State Police: 2.78% pt	\$234.4 Million	\$58.1 Million

This bill would allow local ERS employers to opt-in to this increase, and such employer would be required to fully fund the increased contribution rate.